

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Department of Public Safety Lease at 454 S. Anderson Road, Rock Hill

The South Carolina Department of Public Safety (DPS) requests approval to lease 11,191 square feet of office space at 454 South Anderson Blvd., Rock Hill, SC from Rock Hill Business Technology Center, L.P. for its Multidisciplinary Accident Investigation Team (MAIT), Highway Patrol, and State Transport Police Division. DPS's current lease at this location expires on December 31, 2020.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Seven proposals were received, with the selected location representing the lowest bid.

The lease term will be ten (10) years and is expected to commence on January 1, 2021. The rental rate for the first year of the term will be \$137,089.75 which, at \$12.25 per square foot, is less than their current rate of \$13.00 per square foot and includes operating expenses. Rent will increase annually at a rate of 2.5% as more specifically set forth in the chart below. The total rent to be paid over the 10-year term will be \$1,535,964.75. There is sufficient parking available for staff and visitors.

Term	Rent/sq.ft.	Monthly Rent	Annual Rent
Year 1	\$12.25	\$11,424.15	\$137,089.75
Year 2	\$12.56	\$11,713.25	\$140,558.96
Year 3	\$12.87	\$12,002.35	\$144,028.17
Year 4	\$13.19	\$12,300.77	\$147,609.29
Year 5	\$13.52	\$12,608.53	\$151,302.32
Year 6	\$13.86	\$12,925.61	\$155,107.26
Year 7	\$14.21	\$13,252.01	\$159,024.11
Year 8	\$14.56	\$13,578.41	\$162,940.96
Year 9	\$14.93	\$13,923.47	\$167,081.63
Year 10	\$15.30	\$14,268.53	\$171,222.30

The following chart represents comparable lease rates of similar space in the York County area:

Tenant	Location	Rate /SF
Department of Social Services	454 S. Anderson Blvd.	\$13.35
Department of Revenue	775 Addison Avenue	\$17.48
Department of Motor Vehicles	Hwy. 21	\$18.43
Vacant	534 River Crossing Dr.	\$17.50
Vacant	220 West White Street	\$26.85
Vacant	515 River Crossing Dr.	\$21.00

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The South Carolina Department of Public Safety has adequate funds for the lease according to a Budget Approval Form submitted November 2, 2020, which also includes a multi-year plan. Lease payments will be funded through motor vehicle license-title fees and driver's license fees. The lease meets the state standards with a density of approximately 156 usable square feet per employee. No option to purchase the property is included in the lease. The lease was approved by JBRC on December 10, 2020.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management Property Services, approve the Department of Public Safety's request to lease 11,191 square feet of office space at 454 South Anderson Boulevard, Rock Hill, S.C.

ATTACHMENTS:

Agenda item worksheet; Letter from the South Carolina Department of Public Safety dated October 30, 2020.

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 17, 2020

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
- (b) Authorized Official Signature:



Ashlie Lancaster, Director

2. Subject: Department of Public Safety lease at 454 S. Anderson Road, Rock Hill, SC

3. Summary and Background Information:

The South Carolina Department of Public Safety (DPS) requests approval to lease 11,191 square feet of office space at 454 South Anderson Blvd., Rock Hill, SC from Rock Hill Business Technology Center, L.P. for its Multidisciplinary Accident Investigation Team (MAIT), Highway Patrol, and State Transport Police Division. DPS's current lease at this location expires on December 31, 2020.

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The lease term will be ten (10) years and is expected to commence on January 1, 2021. The rental rate for the first year of the term will be \$137,089.75 which, at \$12.25 per square foot, is less than their current rate of \$13.00 per square foot and includes operating expenses. Rent will increase annually at a rate of 2.5% as more specifically set forth in the chart below. The total rent to be paid over the 10-year term will be \$1,535,964.75. There is sufficient parking available for staff and visitors.

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The South Carolina Department of Public Safety has adequate funds for the lease according to a Budget Approval Form submitted November 2, 2020, which also includes a multi-year plan. Lease payments will be funded through motor vehicle license-title fees and driver's license fees. The lease meets the state standards with a density of approximately 156 usable square feet per employee. No option to purchase the property is included in the lease. The lease was approved by JBRC on December 10, 2020.

4. **What is the Authority asked to do?** Approve the proposed ten-year lease.

5. **What is recommendation of the division of Facilities Management and Property Services?** Approval of the proposed ten-year lease.

6. **Private Participant Disclosure – Check one:**

- ☐ No private participants will be known at the time the Authority considers this agenda item.
- ☒ A Private Participant Disclosure form has been attached for each private participant.
- As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.
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7. **Recommendation of other office (as required)?**

- (a) Authorized Signature: _____
- (b) Office Name: Click or tap here to enter text.
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8. **List of Supporting Documents:**

- (a) Letter from the South Carolina Department of Public Safety dated October 30, 2020.
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



S. C. DEPARTMENT OF PUBLIC SAFETY

Office of the Director

P.O. Box 1993 Blythewood, SC 29016

October 30, 2020

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, 6th floor
Columbia, SC 29201

RE: Lease for 454 South Anderson Road, Suite 400, Rock Hill SC 29730

Dear Ms. Lancaster:

The South Carolina Department of Public Safety requests approval from the Joint Bond Review Committee and the State Fiscal Accountability Authority to enter into a ten (10) year lease with Rock Hill Business Technology Center, L.P for 11,191. of rentable square feet of office space at 454 South Anderson Road, Suite 400, Rock Hill SC. SCDPS's current lease at 454 South Anderson Road, Suite 400, Rock Hill SC expires on December 31, 2020.

As the largest law enforcement agency in the state, it is the mission of the South Carolina Department of Public Safety to protect and serve the public with the highest standard of conduct and professionalism; to save lives through educating the citizens of South Carolina on highway safety and diligent enforcement of laws governing traffic, motor vehicles, commercial carriers, and immigration; to provide protective services for government officials, state government properties, and the general public visiting these properties; and to ensure a safe, secure environment for the citizens of the state of South Carolina and its visitors. This location includes units of the Highway Patrol, State Transport Police, and the Multi-disciplinary Accident Investigation Team (MAIT) staff.

After contacting state agencies to verify that there was no adequate state space available, the Department of Administration solicited for commercial space and six proposals were received. The lowest offer received was for the current space occupied by SCDPS. The following criteria were used in evaluating the sites: potential disruption in providing mission critical services during the move to a new location; and associated costs (moving services, removal and installation of IT equipment and cabling, etc.) to relocate the offices to another location would exceed the apparent difference between the lowest offer and the second lowest offer. After careful consideration, 454 South Anderson Road, Suite 400, Rock Hill SC 29730 was selected because it is the most cost effective and lowest offer. The cumulative cost of the lease during the term is \$1,535,964.75.

Thank you for your consideration of this request and please let me know if you need any additional information.

Sincerely,

Michael Oliver
Chief of Staff

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-56. Program to manage leasing; procedures.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.